United Nations ECE/TRANS/WP.30/2018/14

Economic and Social Council

Distr.: General
27 March 2018

Original: English

Economic Commission for Europe

Inland Transport Committee

Working Party on Customs Questions affecting Transport

149th session
Geneva, 12–14 June 2018
Item 3 (b) (iii) (a) of the provisional agenda
Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention, 1975): Revision of the Convention: Draft Annex 11 to the TIR Convention

Financial aspects of the computerization of the TIR procedure and financial legal provisions of Annex 11

Note by the secretariat

I. Background and mandate

1. At its 148th session, the Working Party had a first round of discussions regarding the financial aspects of the computerization of the TIR procedure and the financial legal provisions contained in Annex 11 (see ECE/TRANS/WP.30/296, paras. 18, 26 and 27).

2. The Working Party requested the secretariat to provide additional information on the Memorandum of Understanding (MoU) on cooperation between the United Nations Economic Commission for Europe (UNECE) and the International Road Transport Union (IRU) in the field of computerization of the TIR procedure (MoU) and the Contribution Agreement (CA) signed between UNECE and IRU and on the functioning of the eTIR system, as well as on the applicable United Nations financial rules and regulations mentioned in Annex 11, Article 10, paragraph 3 and the timeline to be applied for the financing of the operational costs of the eTIR international system.

3. In line with these requests, the secretariat prepared this document.

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II. Memorandum of Understanding and Contribution Agreement signed by UNECE and IRU

4. The MoU signed on 6 October 2017 is publicly available at on the open UNECE web page.[1] Without prejudice to any decision by TIR contracting parties, it sets out the foundation for collaboration between UNECE and IRU in the framework of the computerization of the TIR procedure. The main objective of the collaboration is to assist contracting parties willing to take part in eTIR projects, and to develop the necessary tools at the international level to ensure a gradual move towards the full computerization of the TIR procedure. The parties agreed that the tools developed during this cooperation would follow an agile methodology (i.e. ensure a continuous development of the software in line with the requests of the users) and that those developed at UNECE, would ultimately be part of the fully fledged eTIR international system.

5. Taking into consideration the limited resources available at UNECE to develop and host the eTIR international system, Article 14 of the MoU foresees that the UNECE Information and Communication Technology (ICT) related activities in the framework of the MoU are financed by means of a separate CA. The CA provides the financial framework for the annual transfer of $ 302,255 for a period of 5 years (in line with the duration of the MoU). Following standard practice, the CA is restricted to the signatory parties and is therefore not made publicly available. However, information about the project, which has been approved by EXCOM on 26 September 2017, is made available on the open UNECE website.[2]

III. Functioning of the eTIR system

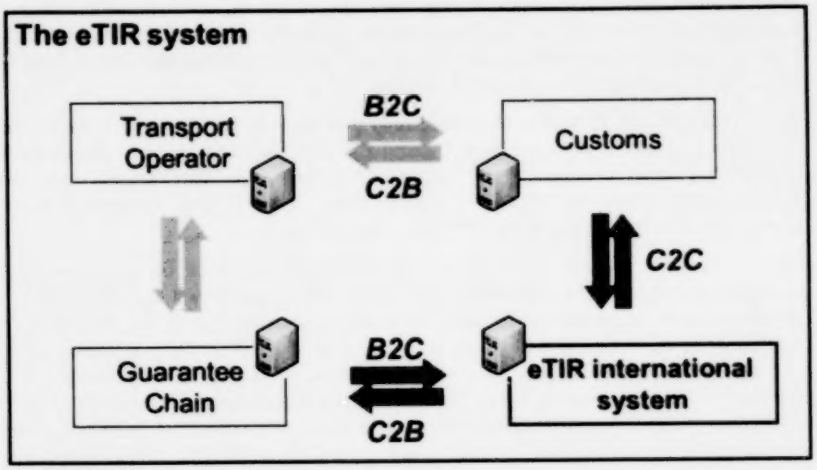
6. The eTIR system represents all the elements — human, procedural and technical — of the eTIR procedure. A detailed description of the functioning of the eTIR system can be found in the eTIR conceptual, functional and technical specifications contained in Informal documents GE.1 Nos. 5, 6, 7 and 8 (2017).

7. From a technical perspective, the figure 1 shows the different ICT systems that are required to ensure the functioning of the eTIR system. Customs administrations, transport operators and the guarantee chain must incorporate the various elements of the eTIR procedure in their ICT systems, thus ensuring a seamless and real time exchange of data. A key component of the eTIR system is the so-called "eTIR international system", an ICT system hosted internationally under the control of contracting parties, which allows customs administrations to monitor the data on guarantees and to exchange information between themselves. The eTIR international system is one of the ICT systems that is required for the functioning of the eTIR system according to the eTIR conceptual, functional and technical specifications. A light version of the eTIR international system has been developed during the eTIR pilot project between Iran (Islamic Republic of) and Turkey. This system will be further improved in the framework of future projects, and will also incorporate the Customs-to-Customs data exchange functionalities which have been included in the Central Exchange Platform (CEP) used in the framework of the eTIR pilot project between Georgia and Turkey.

[1] www.unece.org/fileadmin/DAM/MoU___Cooperation_Agreement_IRU_UNECE_eTIR_6_oct_2017_with_dates_no_signatures.pdf

[2] www.unece.org/info/open-unece/pmt/extra-budgetary/transport/facilitate-and-support-the-full-computerization-of-the-tir-procedure-etir.html

The eTIR system



IV. United Nations financial rules and regulations

8. The United Nations financial rules and regulations referred to in the draft Annex 11, Article 10, paragraph 3 are published in the Secretary-General's bulletin ST/SGB/2013/4.[3]

V. Timeline for the financing of the operational costs of the eTIR international system

9. Further to the signature of the MoU and CA between UNECE and IRU, it is expected that the development costs of the eTIR international system (together with other maintenance costs, e.g. hosting costs, during the development period), will be covered by the funds provided by IRU in line with the CA. At this stage, the MoU and the CA have a duration of 5 years, a period during which the eTIR international system, as well as the IRU systems, will be gradually improved at the request of the contracting parties participating in eTIR projects, and aligned to the requirements contained in the eTIR conceptual, functional and technical specifications. Furthermore, IRU has confirmed that it would be ready to amend the CA to provide additional funds in case more contracting parties would take part in eTIR projects and the requests of those contracting parties could not be covered the resources provided by the CA.

10. As indicated in paragraph 4 above, all the developments made during eTIR (pilot) projects, will ultimately constitute the fully fledged eTIR international system. Different from traditional development methodologies, an agile methodology will allow to deliver the various parts of the eTIR international system when required by its users, i.e. participating customs administrations.

[3] undocs.org/ST/SGB/2013/4 (or documents-dds-ny.un.org/doc/UNDOC/GEN/N13/408/57/pdf/N1340857.pdf?OpenElement)

11. While it is difficult to define the end of the development period for a project involving so many stakeholders, in particular when using an agile methodology, the beginning of the so-called operational phase can only start once Annex 11 has come into force. Currently the draft Annex 11 stipulates that it will be up to the Administrative Committee (or the subset of contracting parties bound by Annex 11) to decide on the financing option for the maintenance and hosting of the eTIR international system, possibly by means of an amount per TIR or eTIR transport.

12. Alternatively, if Annex 11 would come into force before the end of the 5 years period covered by the MoU and the CA, and if the eTIR international system development would have been completed, the operational phase could start by then and the Administrative Committee would be able to decide on a financing mechanism for the maintenance and the hosting of the eTIR international system.

13. Conversely, would Annex 11 not have entered into force or would the eTIR international system not be completed by the end of the 5 years period, the continuation of the financing of the development phase by means of an extension of the MoU and CA appears to be the only realistic option. However, if the number of eTIR transports would not have increased significantly by then, it remains to be seen if the IRU would still be willing to finance the development of the eTIR international system. In the latter case, the project could only continue if Contracting Parties would find alternative financing options to finalize the development or fund the maintenance of the eTIR international system until Annex 11 enters into force.